Tea Prices

1712. SHRI MORESHWAR SAVE: Will the Minister of COMMERCE be pleased to state:

(a) whether due to absence of the Russian buyers, there is sharp decline in tea prices;

(b) if so, the details thereof; and

(c) the steps taken by the Government to protect the interest of tea growers and to find alternative markets abroad?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) and (b): No sharp decline is seen in the Indian auction prices due to the absence of Russian buyers. The overall decline in prices during 1991 was a world wide phenomenon. As against the 7% decline in the prices in Indian auction centres, 18%, 28%, and 9% was registered in Colombo, Jakarta and London respectively.

(c) For promotion of exports of Indian tea, the Assam and Darjeeling tea logo campaigns have been launched in UK and a Brand Promotion Scheme has been in operation. Apart from this, various incentives like full excise duty rebate on tea exports, duty drawback on packaging material etc have been extended. Industry delegations have also been allowed to various countries to develop markets.

Cash Reserve Ratio with Reserve Bank of India

1713. SHRIMATI MARGATHAM CHANDRASEKHAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Cash Reserve Ratio (CRR) being maintained by banks with the Reserve Bank of India accounts for Rs. 30,000 crores;

(b) if so, the total amount of interest incurred on CRR per annum;

(c) whether it is proposed to reduce the CRR and offer low interest thereon;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Reserve Bank of India (RBI) has reported that as per the latest data available, Scheduled Commercial Banks (including Regional Rural Banks) are required to maintain an average daily balance of about Rs. 37600 crores with the RBI during the fortnight ended February, 1992.

(b) The total amount of interest paid by RBI to Scheduled Commercial banks amounted to Rs. 2431 crores in 1990-91.

(c) to (e): The Cash Reserve Ratio (CRR) is an instrument of monitory control and the Ration increased or decreased in accordance with the evolving situation. The interest rate on these balances is also varied from time to time. RBI is of the view that the cash reserve Ratio at present and the interest paid thereon are considered appropriate. However, the matter is kept under ongoing review and changes are made as and when considered necessary.

[*Translation*]

Talks with Foreign Countries about Smuggling on Border

1714. SHRI VILASRAO NAGNATHRAO GUNDEWAR: Will the Minister of FINANCE be pleased to state:

(a) whether any talks were held recently with the neighboring countries on increase in smuggling activities across the border;

(b) if so, the outcome of the talks held; and

(c) the details of the steps agreed to by the Governments of the neighboring countries to check smuggling activities?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) to (c): The information is being collected and will be laid on the Table of the House.

[*English*]

Japanese Assistance for Projects in Karnataka

1715. SHRI OSCAR FERNANDES: Will the Minister of FINANCE be pleased to state:

(a) whether the Government of Karnataka has approached the Union Government to pose some projects for financial aid package from OECF, Japan;

(b) if so, the projects for which the agreement has been reached; and

(c) the amount released for each of these projects so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a): Yes, Sir.

(b) and (c): Government of Japan have extended a Loan Assistance of Yen 16,050 million for CLUMP project of Karnataka Government. Loan Agreement in this regard was signed on 13.6.1991.

Another project of Karnataka, namely 'Karnataka Tourism Project' which was not picked up by Government of Japan in earlier two years, has again been posed for 1992 OECF Loan Package. The decision of the Government of Japan for this project will be announced at the Aid-India Consortium meeting to be held in May, 1992.

[*Translation*]

Incentives on Export of Carpets

1716. SHRI RAM NIHOR RAI: Will the Minister of TEXTILES be pleased to state:

(a) whether the Government have withdrawn the incentives being given to the carpet manufacturers at present on the export of carpets;

(b) whether Government propose to formulate any scheme for promoting the export of carpets; and

(c) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI ASHOK GEHLOT: (a) As a general policy, export incentives viz. cash compensatory support and Exim-scrips have been withdrawn for all exportable items which include carpets. However, the scheme of duty draw-back, and import of raw wool at concessional rate of duty and pre-shipment credit for 180 days would continue to be applicable to the carpet exports.

(b) and (c) For promoting the export of handknotted carpets abroad, the following steps have been proposed to be taken during 1992-93:

(1) To expose Indian Carpets by participating in the following International Fairs:-

(a) Domotex International Trade Fair, Hannover(Germany).